

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

) CASE NO: 22-33553-cml
)
) Houston, Texas
ALEXANDER E. JONES,)
Debtor.) Tuesday, February 14, 2023
)
) 1:29 PM - 2:09 PM
-----)
) CASE NO: 22-60043-cml
)
)
FREE SPEECH SYSTEMS, LLC,)
Debtor.)
)
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TRIAL

BEFORE THE HONORABLE CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

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HOUSTON, TEXAS; TUESDAY, FEBRUARY 14, 2023; 1:29 PM

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(Call to Order)

4

THE COURT: Good afternoon. This is Judge Lopez.

5

We are getting ready to get started. I appreciate

6

everyone's patience. I am not -- give me a second. I'm not

7

ready just yet, but I will be ready in one minute. And I

8

will turn on my camera. All right. The line is completely

9

unmuted.

10

I'm going to ask everyone take a look at their

11

phones and place them on mute. I'm going to call two cases

12

at the same time, 22-60043, the case of Free Speech Systems,

13

and I'm also going to call the individual case of Alex

14

Jones, 22-33553.

15

I hope everyone is doing okay. I'm going to go

16

ahead and take appearances. I will start in the courtroom.

17

Mr. Battaglia, good afternoon.

18

MR. BATTAGLIA: Good afternoon, Your Honor. Ray

19

Battaglia, for Free Speech Systems.

20

THE COURT: Okay.

21

MR. BATTAGLIA: And my client, Patrick Magill, is

22

on the phone.

23

THE COURT: Good afternoon. Okay. Mr. Nguyen,

24

good afternoon.

25

MR. NGUYEN: Good afternoon, Your Honor. Ha

1 Nguyen, for the U.S. Trustee.

2 THE COURT: Okay. Good afternoon.

3 MS. HARDY: Good afternoon, Your Honor. Jennifer
4 Hardy, of Wilkie Farr, on behalf of the Texas Plaintiffs.
5 Also on the phone I have Avi Moshenberg and Jarrod Martin.

6 THE COURT: Welcome to the party.

7 MS. HARDY: Thank you, Your Honor

8 THE COURT: Alrighty.

9 MS. FREEMAN: Good afternoon, Your Honor. Liz
10 Freeman, on behalf of Melissa Haselden, the Sub V Trustee
11 for the Free Speech case.

12 THE COURT: Good to see you.

13 MS. FREEMAN: Ms. Haselden is in the courtroom
14 today.

15 THE COURT: Good afternoon. Okay. Mr. Lemmon, I
16 see you there on behalf of PQPR. Good afternoon, sir.

17 MR. LEMMON: Good afternoon, Your Honor.

18 THE COURT: Okay. Mr. Martin, I see you there as
19 well. Ms. Driver, on behalf of Mr. Johns, good afternoon.
20 I see you --

21 MS. DRIVER: Good afternoon, Your Honor.

22 THE COURT: -- as well. Let's see, who else
23 wishes to make an appearance this time? And again,
24 everyone, if you could put your phone on mute so I don't
25 have to mute the entire line.

1 MR. BUTLER: Your Honor, Lynn Butler, on behalf of
2 (indiscernible) Capital Properties (indiscernible) for Free
3 Speech.

4 THE COURT: Okay. Good afternoon.

5 MR. ZENSKY: Good afternoon, Your Honor. David
6 Zensky and Sara Brauner, Akin Gump Strauss Hauer & Feld,
7 proposed counsel for the Official Committee of Unsecured
8 Creditors in the Jones case.

9 THE COURT: Okay. Good afternoon, sir, Ms.
10 Brauner. Good afternoon to both of you.

11 MS. BRAUNER: (indiscernible)

12 MR. KIMPLER: Good afternoon, Your Honor. Are you
13 able to hear me?

14 THE COURT: Just fine. Thank you.

15 MR. KIMPLER: Okay. It's Kyle Kimpler, from Paul,
16 Weiss, Rifkind, Wharton & Garrison, on behalf of the
17 Connecticut Plaintiff. I'm joined today by my co-counsel
18 Alinor Sterling and Ryan Chapple.

19 WOMAN 1: Yeah, now if we ever have any questions
20 --

21 THE COURT: All right, thanks.

22 WOMAN 1: -- we can just come talk to you. Yeah.

23 THE COURT: Oh, I just found you. Let's see.

24 Again, folks -- let's see. I couldn't mute that line,

25 whoever that was. Okay. Just give me a second. And Mr.

1 Zensky, as of yesterday evening, you are official, so I
2 signed the order.

3 MR. ZENSKY: Thank you, Your Honor. Mr.
4 (indiscernible) corrected me after I made our appearances.
5 Thank you for signing the order.

6 THE COURT: No worries. Anyone else wish to make
7 an appearance at this time? Okay.

8 I did get a chance to see the agenda. I have two
9 -- Mr. Battaglia, I've got two questions I want to just ask
10 just as a general matter, just general status. One involves
11 the status of mediation and what's going on there. I don't
12 want to know about the substance of them. Just want to know
13 what's going on generally.

14 And then I have a question for Ms. Freeman as to
15 the status of the work that the Subchapter V Trustee is
16 doing in her investigation, just in terms of status on that.

17 MR. BATTAGLIA: I think, Your Honor, the status of
18 the mediation, Judge Isgur is talking about really doing a
19 round-robin kind of mediation, not necessarily everybody
20 collecting in one place. And beyond that, I know he's
21 waiting on information. I know from the FSS Debtors'
22 perspective, I owe him the financial statements, which I
23 have drafts that are being finalized now for post-petition
24 period.

25 THE COURT: Mm hmm.

1 MR. BATTAGLIA: I have a five-year projected
2 budget now. I have a balance sheet. I have all of that
3 information --

4 THE COURT: There are documents going to Judge
5 Isgur.

6 MR. BATTAGLIA: -- that I need to get to Judge
7 Isgur. I also have -- and we'll discuss this a little more
8 later -- a draft of a plan of reorganization. I'll come
9 back to that. And so, from my Debtor's perspective, I think
10 I will have everything in Judge Isgur's hand that he was
11 waiting for from me this week. I know that he's also
12 waiting on Alex Jones' schedules and I'm not sure what else.
13 Ms. Driver can better tell the Court where things are --

14 THE COURT: They're due today. So I'm hoping they
15 get filed today.

16 MR. BATTAGLIA: He may be looking for other
17 financial information from him as well.

18 THE COURT: Got it.

19 MR. BATTAGLIA: But --

20 THE COURT: Just so -- so things -- people are
21 still talking --

22 MR. BATTAGLIA: I think that's what --

23 THE COURT: -- I guess is the --

24 MR. BATTAGLIA: I think that's -- the starter's
25 gun goes off when he has all that.

1 THE COURT: Okay.

2 MR. BATTAGLIA: I know that, obviously, the
3 Committee can speak for itself. They have retained
4 financial professionals to do their own analysis. You're
5 going to ask Ms. Freeman about where M3 is in their
6 evaluation.

7 As far as I'm concerned, I don't owe anybody
8 anything and FSS doesn't owe anybody anything. And you
9 know, we're certainly going to be responsive to requests for
10 information that I think people believe to be important to
11 come up with an efficient, meaningful mediation.

12 THE COURT: Okay. Thank you. Just want to open
13 it up. Anyone has anything else they wish to add -- again,
14 I don't want to know the substance of the mediation. I just
15 want to make sure people feel comfortable that mediation is
16 progressing, that people are talking. That's really what my
17 focus is on now, just to make sure, since we haven't chatted
18 about it in quite a bit.

19 And I suspect, you know, once the schedules are
20 filed, that is another piece of information that I suspect
21 people would have wanted to have seen. So, I get it. There
22 are a bunch of moving pieces here. I just want to make sure
23 that people are still finding the process helpful.

24 MR. ZENSKY: Your Honor, David Zensky, for the
25 Committee in the Jones case. I would echo what Mr.

1 Battaglia said as far as the status. Judge Isgur and the
2 mediating parties are waiting on information relevant to
3 both Debtors. None of that has been forthcoming at. But I
4 am glad that it is imminent. And that will be the starting
5 gun, to borrow Mr. Battaglia's phrase, for the ability to
6 meaningfully engage. So --

7 THE COURT: Got it.

8 MR. ZENSKY: -- we've had discussions, it's been
9 more of a sort (indiscernible) -- well, let me stop there.

10 THE COURT: Got it.

11 MR. ZENSKY: So I think that we're in agreement
12 with Mr. Battaglia's description of the status.

13 THE COURT: Okay. Thank you very much. So, Ms.
14 Freeman?

15 MS. FREEMAN: The investigation is ongoing and a
16 great deal of documentation has been provided to the
17 Trustee. There's still some additional information that we
18 are expecting. We have thus far found the parties to be
19 very cooperative and helpful to us in providing the
20 information that we need. Of course, certain information
21 comes in and it begets a question --

22 THE COURT: Mm hmm.

23 MS. FREEMAN: -- which will create a new of
24 inquiry. We are targeting and hoping to have the report
25 filed not later than March 31st.

1 THE COURT: Okay. Perfect. Thank you. That's
2 very helpful. Alrighty. Not sure who wants to take the
3 lead on the agenda. Oh, Ms. Driver. I'm sorry.

4 MS. DRIVER: Well, Your Honor, I would just
5 mention that we are -- not being in Houston today is a
6 function of being in the office her in Austin finishing up
7 our draft of the schedule (indiscernible) --

8 THE COURT: Hold on a second, Ms. Driver. There
9 is someone --

10 MS. DRIVER: (indiscernible)

11 THE COURT: Ms. Driver, I'm going to -- let's just
12 see if I can -- there's someone who -- just, if everyone, if
13 you're not Ms. Driver, I'm going to ask that you please
14 place your phone on mute. Thank you. All right, there's
15 someone. I hate to hit 5 star. Go ahead, Ms. Driver. Why
16 don't you proceed.

17 MS. DRIVER: We also do have a protective order
18 that was (indiscernible) has been, I think, finalized. And
19 we'll be able to produce just a deluge of information, based
20 upon the protections that are provided in that protective
21 order. And that will be absolutely forthcoming as soon as
22 we can get the schedules and statements on file this
23 evening. That's something that I'm going to have
24 (indiscernible) working on in the last two days of this
25 week.

1 So there will be just a lot of information that is
2 sent. We had one bank that we were missing some statements
3 to go back four years. We just got confirmation right
4 before this hearing that that bank has now gotten the proper
5 authorization to send those to us, so we should have a
6 pretty robust four years of statements on all of the
7 accounts for Mr. Jones.

8 In doing the schedules and statements, there are
9 some disclosures that are not particularly called for in the
10 schedules and statements that we also are going to be making
11 to the appropriate parties under the protective order. So,
12 you know, for example, if there's -- if there is a bank
13 account that isn't Mr. Jones' but he is a signatory on it
14 vis-à-vis the ownership or control of an entity, that
15 information will be provided to, you know, all of the
16 parties to the protective order.

17 THE COURT: Okay.

18 MS. DRIVER: So we (indiscernible) that things are
19 moving pretty well. To the extent that there is any gaps in
20 information that we don't have, I think it's going to be
21 information that the Committee will want as well, and I
22 imagine that we will just be working with the Committee to
23 not duplicate efforts in trying to get that information.

24 THE COURT: So you mentioned a stipulated
25 protective order and I did see it on file. I suspect you're

1 talking about the one at Docket 150. I had a chance to
2 review it. I did see it was signed by many of the parties.
3 I'm comfortable signing it now. Any issues with me signing
4 the stip at 150? Okay. I'm going to sign it.

5 MR. BATTAGLIA: Your Honor, I think there's a
6 companion -- Ms. Brauner can correct me if I'm wrong -- a
7 companion stip in the FSS case.

8 THE COURT: All right.

9 MS. BRAUNER: That's right, Your Honor.

10 THE COURT: Let me track it down. Oh, that makes
11 sense. Okay. That one would be at 446. Okay. I am going
12 to sign both of those and I'll get them on the docket
13 shortly.

14 MS. BRAUNER: Thank you, Your Honor.

15 THE COURT: You got it. No, I appreciate it.
16 Thank you. Okay. Why don't we turn to the agenda? Who
17 wants to take the lead?

18 MR. BATTAGLIA: Your Honor, Ray Battaglia, for
19 Free Speech Systems. There are only four motions on the
20 docket today. I don't think we're going to need a lot of
21 time before the Court.

22 Cash collateral motion was circulated last week to
23 the constituents, was uploaded last night to -- as a
24 proposed order at Docket Number 456. The U.S. Trustee's
25 office, Mr. Nguyen, had three questions. I think we've

1 responded to them completely.

2 The form of the order has not changed other than
3 other than shifting from 8th to 9th interim order. The
4 budget covers a six-week period instead of a four-week
5 period. That was at the request of the Jones professionals,
6 who wanted it to end on a month-end, and we're fine
7 accommodating that. So it's a hair longer than prior cash
8 collateral orders, but that's the reason.

9 And I'm happy to address any questions the Court
10 may have on that order.

11 THE COURT: Well, I'm -- let me just take a look.
12 The order is filed at -- let's just see.

13 MR. BATTAGLIA: 456, Your Honor.

14 THE COURT: 456. Let me just take a quick look at
15 it. Anyone wish to be heard in connection with the... When
16 do you want to come back?

17 MR. BATTAGLIA: Your Honor, the budget ends at the
18 end of March, so sometime prior to the last day of March
19 we'll need a hearing date.

20 THE COURT: Let's just see.

21 MR. BATTAGLIA: The week of the 27th sometime.

22 THE COURT: How about March 27th at 1:00 PM?

23 MR. BATTAGLIA: It's fine by me, Judge.

24 THE COURT: I'm going to sign it before anyone
25 says (indiscernible). Okay.

1 And also -- look, I think it's important for me to
2 know -- this is the 9th interim and I've got no issues with
3 that. Where you see me going with asking questions about
4 how the mediation is going and how the report of the Trustee
5 -- oh, excuse me -- the Subchapter V Trustee is doing is,
6 look, at some point I want to give mediation every chance
7 that it has.

8 And if the parties are working diligently in
9 mediation, then I want the parties focused on mediation. At
10 some point, we're going to have to figure out what kind of
11 cases we have here in the Free Speech case and in the Jones
12 case. And if a deal is reached, great. If not, then I've
13 got some decisions that I suspect will be coming my way, and
14 folks filing plans. And there's going to be a request for
15 me to lift the stay and things of that nature.

16 And so, I just want to make sure that I'm prepared
17 for what's going on. And then also sending parties a
18 message. You know, at some point, we're going to have to
19 make decisions about where things are. We're not there
20 today, but at some point. And this is not me trying to rush
21 anyone. This is just saying -- it's just recognizing, you
22 know, we won't have a 12th interim. Maybe that's where I'm
23 going.

24 We're going to have -- we're going to focus and
25 we're going to have to make decisions about, you know, where

1 these cases go. Not today. There are professionals who are
2 seeking retention too in connection with Appellate matters.
3 So at some point, we're going to have to make some
4 decisions. But today's not that day. I just -- I want the
5 case to progress and I want things just to continue to move.
6 So I appreciate when there are motions that are being filed.
7 In terms of the things that we can take care of, let's take
8 care of them. So, anyway, that's not for today. I'm
9 signing a cash collateral order, and I said March 27th at
10 1:00.

11 MR. BATTAGLIA: Yes, sir.

12 THE COURT: Okay. Alrighty, folks. All right. I
13 am muting the entire line. You know, Ms. (indiscernible),
14 you need to hit 5 star.

15 Okay, Mr. Battaglia, where do we go next?

16 MR. BATTAGLIA: Motion is a motion to assume an
17 office lease. And this is the Debtors' last remaining real
18 property, commercial real property lease. It's where the
19 office and the studios are located. Obviously, the urgency
20 comes from the fact that we're running up against our 210-
21 day deadline. After the motion was filed and discussions
22 with counsel for the Connecticut Plaintiffs, they asked if
23 we would convert this or entertain an extension for 90 days.

24 The driver of that is a conversation between Mr.
25 Butler's client and myself. I've had several communications

1 with him. I know conceptually, he didn't have any issue,
2 but he had no authorization from his client. But we've
3 asked on the agenda here to conform to what the Connecticut
4 Plaintiffs have requested, and just enter an order today
5 that extends the time to assume or reject, conditioned on
6 the Debtor continuing to perform under the terms of the
7 lease, which we are current on at this time.

8 And Mr. Butler, I know, is on the line. I don't
9 know whether he has a position or a response. He hasn't had
10 a conversation with his client, last I (indiscernible).

11 THE COURT: All right. Mr. Butler, can you hit 5
12 star? There you go. Mr. Butler, is that you?

13 MR. BUTLER: Yeah, that is me.

14 THE COURT: Okay. I just wanted to make sure you
15 are okay with the 90-day extension.

16 MR. BUTLER: Yeah, I -- well, Your Honor, I've
17 received no communications from my client since the
18 discussions with Mr. Battaglia occurred. The rent's current
19 at early January, so I have no basis to oppose what they're
20 asking at this time at all.

21 THE COURT: Okay. Does anyone wish to be heard in
22 connection with the -- actually providing an extension of
23 the 365 before a period for another 90 days, which I would
24 note is permitted under the Code? Anyone wish to be heard
25 in connection with that? If you are, just need you to hit 5

1 star. Alrighty. I muted a 214 number.

2 MS. DRIVER: I think that's me, Your Honor.

3 Vickie Driver --

4 THE COURT: Oh.

5 MS. DRIVER: -- for Mr. Jones.

6 THE COURT: Yes, Ms. Driver.

7 MS. DRIVER: Thank you. I just wanted to -- and I
8 don't know if this is the appropriate time to do this, but
9 it was -- there is something that I was going to disclose to
10 the Court today and I spoke to the Committee's counsel about
11 it yesterday, that it was just cited in, I think, the
12 Connecticut's Plaintiffs' response to the motion to assume.
13 So it kind of jumps my disclosure gun but, I just sort of
14 wanted to let Your Honor know. I know you read all the
15 pleadings.

16 But Mr. Jones did in fact test a podcast on
17 another forum, "Alex Jones Live", that is simply a test. It
18 was a guest that just had not gotten a lot of time and just
19 wasn't, I think -- just wasn't really appealing, I think, to
20 the FSS platform. But there's just not going to be anymore
21 posts on that.

22 There were some issues raised as to whether it was
23 appropriate to assume this lease if Mr. Jones is not going
24 to be with FSS and some quotes were pulled out of that two-
25 plus hour podcast that supported that. I just wanted to

1 make clear on the record here today that I had someone in my
2 office review that entire podcast to make sure I understood
3 what was going on.

4 I think it's pretty clear, if you listen to the
5 entire thing -- and I'm not going to ask Your Honor or
6 anyone else to listen to it, but --

7 THE COURT: Thank you.

8 MS. DRIVER: -- the impression that -- yes, I
9 would just follow that on the record (indiscernible) that
10 you didn't need to listen to it or anything. But I just
11 wanted to let Your Honor know that it was our office's, you
12 know -- we think that the entirety of the podcasts were very
13 clear that Mr. Jones' first want is to stick with FSS and
14 make it a viable business opportunity with that, you know,
15 some of the positions of, you know, that -- to make Mr.
16 Jones go away or to never hear from him again or
17 (indiscernible) platform him, just a year or so ago, he did
18 have a third party that had put the studio together as an
19 alternative.

20 Just because someone is making alternative plans
21 to support their family does not necessarily mean that
22 they're abandoning ship. It's that just I think any prudent
23 person would think about how they would take care of their
24 family or make a living if they weren't going to be able to
25 do so at their current place of work.

1 In this situation, it is his absolute intention to
2 keep working with FSS and to try to make a deal with
3 everyone so that FSS can go forward as a continuing business
4 operation. Obviously, it won't be able to continue if it
5 has 1.5 billion dollars' worth of judgments against it. So,
6 obviously, that's predicated on their being a good result in
7 this case, which we're definitely committed to.

8 So I just wanted to make sure that, number one, we
9 acknowledge that there was another platform that carried a
10 podcast; number two, that we communicate Mr. Jones' solemn
11 promise to me that there will not be any more posts to that,
12 in the event that anyone believes that that is some way at
13 odds with FSS.

14 I would note that Mr. Jones' salary has not been
15 raised to his (indiscernible) tax rate. And we have not
16 pressed that issue, just due to our understanding that the
17 FSS can (indiscernible) at this time. So we don't intend to
18 press that at this time.

19 But at some point -- and I think with the filing
20 of the schedules and his budget, it'll (indiscernible)
21 become clear to everyone that what he is making and what he
22 needs to make may be just two different things, and that
23 there's just going to be a delta there that needs to be made
24 up somehow.

25 So we think that the 90-day extension gives us

1 time to keep working towards a deal and that's an
2 appropriate resolution. But we just did not -- given that
3 we were trying to get the schedules finish, we just didn't
4 have time to file a response to that. But I did want to put
5 on the record that we acknowledge that happened and that the
6 status as of this point is just it's in a hold pattern for
7 now.

8 THE COURT: Does anybody else wish to be heard in
9 connection with the -- what I would call the 90-day
10 extension?

11 MR. BATTAGLIA: Your Honor, if we could enter a
12 sua sponte order today granting the 90-day extension and
13 then maybe -- I don't know how the Court and the Clerk's
14 office would prefer -- I could refile my motion to assume or
15 reject within the 90 days, or I can ask the Court to simply
16 take up this motion again at a later date, and I'll do
17 whichever.

18 THE COURT: Yeah. Why don't I just -- and by I, I
19 mean my law clerk, who's listening -- draft an order --

20 MR. BATTAGLIA: I'm happy to do it, Judge.

21 THE COURT: No, no, no. We'll take care of it
22 right now. We can just draft a short order extending the
23 time for 90 days, and I'm not going to put a specific date.
24 I'm just going to, you know, essentially count the
25 (indiscernible) just add the 90, so that way there's

1 clarity. And then (indiscernible) can continue the hearing
2 on this motion to a date that may determine, and then
3 whenever you feel like you need to have a hearing on it,
4 we'll push it out there and we'll take it up. And
5 everyone's rights are reserved for purposes of this motion.

6 And really, we'll have a status before the 90-day
7 period (indiscernible). And what I'm thinking is when you
8 know you want to take it up, let's take it up and we'll set
9 a date and have everything firmed up so you're ready to go,
10 and everybody's rights are reserved. And if Ms. Driver
11 wants to get a response on file, we'll set dates for all of
12 that.

13 For right now, we'll -- I believe someone is
14 typing as we speak, so we'll take care of it.

15 MR. BATTAGLIA: The next matter, Your Honor, is
16 Docket Number 429. It's a motion to sell personal property
17 in the existing warehouse racks. I do not have a buyer in
18 hand. I have -- Mr. Magill has three offers. There's a
19 fourth that I think we need to circle back and make sure
20 that they're no longer interested. And we've set a floor
21 price of \$20,000.

22 The emergency here is that this a lease we've
23 rejected. So we actually have no right to be in the
24 property anymore. But the landlord has been pretty
25 cooperative in allowing Mr. Magill and the Debtors' people

1 in, and these racks are going to have to be dismantled and
2 removed. But the value range is north of \$20,000, but not
3 considerably so.

4 So we're just asking the Court to give us
5 authority to sell at a price exceeding that and have
6 received no indications of opposition.

7 THE COURT: Does anyone wish to be heard in
8 connection with the motion to sell the warehouse racks? I
9 expect this is an easy one. And at this point, there are
10 bigger fish to fry than -- and I do understand that if you
11 don't sell the racks, then people get to charge you
12 administrative -- or at least make the -- at least argue
13 your stuff is still here and we're going to charge you for
14 it.

15 So, Mr. Magill, I'm going to approve this motion.
16 Just, you know, get it done is my message to you. Hire
17 somebody and get it done.

18 MR. BATTAGLIA: Yes, sir.

19 THE COURT: Alrighty. Where do we go next?

20 MR. BATTAGLIA: Next is the motion for relief of
21 stay at Docket Number 406. Do you want to -- I'll let Ms.
22 Hardy speak. It's her motion.

23 THE COURT: You got it. Ms. Hardy, good
24 afternoon.

25 MS. HARDY: Good afternoon, Your Honor. So, with

1 respect to the motion to lift stay for Texas Plaintiffs, Mr.
2 Pozner and Ms. De La Rosa --

3 THE COURT: Mm hmm.

4 MS. HARDY: -- we have agreed to treat this
5 hearing as a preliminary hearing. And what we'd like to do
6 from here is seek an agreed scheduling order among the
7 parties and schedule a hearing, not in the statutorily
8 required 30 days but a -- because that hits right during
9 spring break -- but the week after that --

10 THE COURT: Mm hmm.

11 MS. HARDY: -- of March 20th from Your Honor. And
12 in the meantime, if we're unable to resolve the motion in
13 the meantime, which is possible that we will be able to,
14 then we would a limited amount of discovery on very discrete
15 topics from the Debtors, which I've already discussed with
16 Mr. Battaglia and Ms. Driver, and a couple of depositions
17 from them on very specific topics that were raised in their
18 objection.

19 THE COURT: Okay. Look, and I will tell you, if
20 you want to work on an agreed scheduling order, just upload
21 it and I'll sign it. I'm not going to get in the way of
22 that. In terms of dates --

23 MR. BATTAGLIA: Could we do the 27th and we're
24 already setting something on the 27th.

25 THE COURT: That gets tricky.

1 MR. BATTAGLIA: Whatever works for the Court.

2 THE COURT: Why don't we have -- you're just
3 coming back for cash collateral on that?

4 MR. BATTAGLIA: At this point.

5 THE COURT: I'd rather do Friday the 24th --

6 MR. BATTAGLIA: That's fine.

7 THE COURT: -- for that. But I will tell you that
8 if there is agreement, Mr. Battaglia, on a further interim,
9 I suspect if you file that on the 24th and there was
10 agreement, I suspect we could --

11 MR. BATTAGLIA: Yes, sir.

12 THE COURT: -- take care of everything on the
13 24th. That day I know I can give you as much time as you
14 need and there will be no -- and I'll just -- Ms.
15 (indiscernible) will just kind of carve out that day. That
16 way I know I can give you as much time as you need. We can
17 start whenever you want. There's no in between. You'll
18 have as much time and you know that you can work backwards
19 from that date.

20 MS. HARDY: Understood. Thank you, Your Honor.
21 And would replies from the Texas Plaintiffs two days prior
22 to the hearing be sufficient?

23 THE COURT: Yeah. Yeah, that's fine with me. But
24 keep in mind, two days probably by noon, because I'm going
25 to want to see the witness and exhibit list filed by noon on

1 that day as well. You all can work on that. And in terms
2 of if you get something to Ms. (indiscernible), you just let
3 her know it's up there and I'll take a look at it. If I
4 have any questions, I'll call everyone in. But I suspect I
5 won't.

6 MS. HARDY: Okay.

7 THE COURT: Okay?

8 MS. HARDY: Thank you, Your Honor. And I suspect
9 we will be able to resolve the agreed order, but if not,
10 we'll let chambers know.

11 THE COURT: Okay. Yeah, let me know and we'll
12 just pick a date and we'll come in and take care of it.
13 Okay?

14 MS. HARDY: Thank you.

15 THE COURT: Okey-dokey.

16 MR. BATTAGLIA: And Your Honor, that also applies
17 -- and I know Ms. Driver may or may not want to chime in --
18 but the similar motion to lift stay, I believe, is set in
19 the Jones case today. And I think it's the same
20 (indiscernible).

21 MS. DRIVER: Yes, Your Honor.

22 THE COURT: Okay. Yeah, Ms. Driver, I'll give you
23 that day and everybody can work backwards. And so I suspect
24 we need to file something in the FSS case and in the --

25 MR. BATTAGLIA: Jones case?

1 THE COURT: -- even if it's the same, even if it's
2 unagreed, we'll file it in both cases so there's agreement
3 there. Okay.

4 MS. DRIVER: Understood. Will do.

5 THE COURT: Alrighty.

6 MS. HARDY: Thank you, Your Honor.

7 THE COURT: Alrighty. Anything else we need to
8 talk about?

9 MR. BATTAGLIA: Yeah. The last thing, Your Honor,
10 is you had extended the deadline for Free Speech Systems to
11 file its plan to February 17th.

12 THE COURT: Yeah.

13 MR. BATTAGLIA: I have a pretty fully formed plan
14 that needs cleanup, and I'm ready to file on the 16th. I'm
15 not doing it -- I don't want it to be perceived as a hostile
16 act, but it's along the lines of what you said earlier
17 today, which is this case needs to get moving in a
18 direction. And I'm not going to ask the Court if I file it
19 to set a deadline for balloting or hearing for confirmation.

20 I don't think there's anything particularly
21 shocking in this draft plan. It generally proposes to
22 contribute net distributable income to the Sub V Trustee to
23 hold in trust, pending allowing claims.

24 THE COURT: Let me tell you, Mr. Battaglia -- let
25 me give you my thoughts on this, and I'll give you some

1 options. I want you to file a plan that you're ready to go
2 with. And if you're ready to file that plan, then we'll
3 take it up. If you want a little bit more time, I'll give
4 it to you. But if you want to get something on file, then
5 get it on file. And I'm not telling you which way to go.
6 I'm just telling you -- I don't know what your -- obviously,
7 I haven't read it --

8 MR. BATTAGLIA: What I don't want to do is subvert
9 the mediation. That's not my intention here is that
10 mediation --

11 THE COURT: So you tell -- and again, I have no
12 idea what's going on with Judge Isgur, what you all are
13 talking about. And so you tell me what you think is best
14 and I'll give you some time, if that's what you need.

15 MR. BATTAGLIA: My instructions from my client are
16 get a plan on file. But I can visit with him and see if
17 that remains the case. And I'd like to hear from the other
18 parties. I mean, I have had --

19 THE COURT: No, I need --

20 MR. BATTAGLIA: -- some indications from the
21 Connecticut Plaintiffs that --

22 THE COURT: I'm not worried about -- I'm worried
23 about what you -- you all tell me -- but you've got to tell
24 me today, because this is on the 17th. So you... I don't
25 know. But if you want to get a plan on file, this is not me

1 not encouraging you. I'm just giving you --

2 MR. BATTAGLIA: Okay.

3 THE COURT: -- I'm giving you -- if you were
4 wondering what the Judge might do after the Judge said we're
5 going to need to keep the case moving, you all tell me what
6 you need to do. You know, it won't be June, right? But if
7 you want to get a plan on file so everybody can look at it
8 and react to it, then file it and we'll see where things go.
9 I don't have a problem with that.

10 MR. BATTAGLIA: (indiscernible) Mr. Magill?

11 THE COURT: Huh?

12 MR. BATTAGLIA: Can I have a moment with Mr.
13 Magill?

14 THE COURT: Oh, of course.

15 MR. BATTAGLIA: Your Honor, I think what we'll do
16 is we'll send this along with financial information to Judge
17 Isgur and perhaps two other parties and ask the Court today,
18 if you would, to sua sponte enter an order giving us another
19 extension on the deadline to file a plan for 30 days.

20 THE COURT: What I'm going to do is give you...
21 Let's do this. I'm going to give you an extension through
22 March 27, because by then we'll know -- we'll be all a lot
23 smarter at that point, right? You'll know what's going on
24 with Ms. Hardy's motion. I've either ruled up or down on
25 that day and I intend to do it on the 24th. If we go

1 forward on that day, I'm going to make a decision. And then
2 maybe you all have agreed to something by then. We'll all
3 be a lot smarter. Then they'll be -- schedules will be on
4 file. I suspect parties will have continued their
5 conversations with Judge Isgur. Everybody'll be a lot
6 smarter then. And so I'll give you until March 27th, an
7 extension of that time, without prejudice to someone coming
8 in and saying no more. But maybe you just file it on that
9 day and maybe we keep things moving in the FSS case.

10 I just think everybody'll be a lot smarter then
11 and I think you'll know at least what's going on with the
12 plan at that point as well, and how to address Ms. Hardy's
13 clients' claims in the plan, which I think is a missing
14 piece for you now.

15 So, I'm just going to do that. I think it's just
16 the smart thing to do at this time. And it's of no fault --
17 you all are having discussions, and the fact that there are
18 two cases that are essentially tracking around the same time
19 and at some point they may veer off. But for right now, I
20 think it makes sense to keep them together. And I think Ms.
21 Hardy's client would want a hearing in both cases at the
22 same time. So let's just keep everything together now. But
23 the 27th, I think you've got a little bit more breathing
24 room and you're that much smarter about kind of where things
25 go, Mr. Battaglia.

1 MR. BATTAGLIA: Well, I'm not sure I'll be
2 smarter, but I'll know more.

3 THE COURT: You'll know more. That's a better way
4 of saying it. Okay.

5 MR. BATTAGLIA: Will the Court do a --

6 THE COURT: Yeah.

7 MR. BATTAGLIA: -- sua sponte, or shall I do it?

8 THE COURT: No, no, no, no. I am -- I'm on it.

9 MR. BATTAGLIA: And Your Honor, I didn't have
10 anything else today. Mr. Magill is concurring. So --

11 THE COURT: Okay.

12 MR. BATTAGLIA: -- that concludes my presentation.

13 THE COURT: Thank you. Ms. Driver, anything else
14 we need to talk about today?

15 MAN: She (indiscernible).

16 THE COURT: Okay. This is -- let me just ask -- I
17 did have one question. I don't want to say anything else
18 about it. I'm just going to ask a question, and Ms. Driver,
19 you can answer the question. There are three applications
20 to employ professionals that are filed at 136, 138 and 139.
21 Can we just pick a date and then we can all just -- or
22 parties want to file something that they've worked out
23 something, and if I have any questions, I can ask my
24 questions? But maybe I have some, maybe I don't.

25 But can we just have something on the schedule so

1 that we can have a date you consider those retention
2 applications? I don't know if anyone's going to -- I don't
3 know anything. I just know -- history has taught me that I
4 should set a date and allow people to just ask questions if
5 they want to on that day. But maybe everything is agreed
6 and I don't have to worry about it.

7 Let's see. And I know the Committee has a request
8 to appoint a professional as well. So can we just pick a
9 date for that? Or at least have something on the books.
10 How about that? Can we have something on the books on
11 February 28th at 9:00 AM to consider those three? And maybe
12 it's a short hearing.

13 Ms. Driver, let me ask -- Mr. Zensky, does that
14 work for you? Ms. Brauner? Just the -- I just want to have
15 something on the -- a hearing date on it so I can just keep
16 the case moving.

17 MS. BRAUNER: That's fine for the Committee, Your
18 Honor.

19 THE COURT: Okay. Thank you. Anything else we
20 need to talk about from the Committee's perspective?

21 MS. BRAUNER: Your Honor, we would just like to
22 take a moment to circle back to the disclosure that Ms.
23 Driver raised regarding "Alex Jones Live", which was the
24 business venture that she described and that was addressed
25 in the objection to the assumption motion.

1 THE COURT: Okay.

2 MS. BRAUNER: We served, as the Debtor knows,
3 preliminary 2004 requests in respect of the "Alex Jones
4 Live" issue only. This came to the attention of the UCC
5 through its own diligence. And we were somewhat surprised
6 that we had not been informed about this business venture,
7 in whatever form it was taking previously.

8 So we expect the Debtors will cooperate and
9 respond to our 2004 requests. But if not, we will be back
10 in front of the Court, because as I'm sure the Court can
11 appreciate, we are concerned about where this is going and
12 what impact it may have on (indiscernible).

13 THE COURT: Okay. And everybody knows, if you
14 need a hearing, Ms. (indiscernible) is just an email away,
15 and just let her know and we'll get you on; we'll get you
16 in.

17 MS. BRAUNER: Thank you, Your Honor.

18 THE COURT: Alrighty. Thank you.

19 MR. KIMPLER: Your Honor, are you able to hear me?

20 THE COURT: Just fine. Thank you. Just --

21 MR. KIMPLER: Thank you. It's Kyle Kimpler again
22 on behalf of the Connecticut Plaintiffs. I just wanted to
23 quickly go back to the comment about the FSS plan. On
24 behalf of the Connecticut families, we certainly appreciate
25 Your Honor's -- an extension of the plan filing deadline.

1 We certainly think that makes sense here.

2 I want to be very clear that the plan has not been
3 seen by the Sandy Hook families. And to my knowledge, no
4 substantive discussions at all have happened around the
5 contours of an FSS plan.

6 So I think it's -- especially while we're still
7 awaiting the Subchapter V Trustee's report -- I think it's
8 extremely premature to be filing that plan. We'll reserve
9 all rights, obviously. But I do think the extension makes a
10 lot of sense and we appreciate that.

11 THE COURT: Okay. Anything else? Anyone else
12 wish to be heard? And if you can, just hit 5 star. All
13 right. Thank you very much. Thank you for your time.
14 Everyone have a good day. Thank you.

15 (Proceedings adjourned at 2:09 p.m.)
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I N D E X

RULINGS

Page Line

Stipulation for Protective Orders
in Alex Jones and Free Speech
Systems, Granted
Motion for Cash Collateral Order, Granted
Motion to Extend, Granted
Motion to Sell Racks, Approved
Motion to Lift Stay re Texas Plaintiffs,
Granted

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CERTIFICATION

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I certify that the foregoing is a correct transcript from
the electronic sound recording of the proceedings in the
above-entitled matter.

A handwritten signature in black ink that reads "Sonya M. Ledanski Hyde". The signature is written in a cursive, flowing style.

Sonya Ledanski Hyde

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Date: February 17, 2023